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Executive Director's Column

INDUSTRY A KEY PLAYER IN EARTH DAY

By John Shlaes

On April 22, the United States will once again celebrate Earth Day. It was 25 years ago this month that then-Senator Gaylord Nelson from Wisconsin proposed, and the Senate adopted, a resolution kicking off the modern environmental movement, and on April 22, 1970, the first Earth Day was celebrated in hundreds of cities and communities throughout the country. Scientific symposia and expositions were held, as were conferences and speeches addressing the environment. The media provided broad coverage, including a CBS "Special Report" and several NBC "Today Show" segments. Prominent in the national discussions were government, environmental and business leaders.

In a short period of four years, from 1969 to 1972, the United States established the Environmental Protection Agency and passed the National Environmental Policy Act, the Clean Air Act and the Federal Water Pollution Control Act Amendments. Industry, which in the post-war era had established the United States as the unchallenged economic and political leader in the world, faced new challenges in attempting to balance economic growth and job creation while also becoming a world leader on the environment.

While national, state and local regulation grew to unprecedented levels, business and industry committed billions of dollars to develop the technology and systems that have made the United States the undisputed environmental leader in the world. Today we spend more than \$140 billion a year, or more than one-third of all U.S. regulatory

expenditures, on the environment. Even as industry was making this tremendous regulatory investment, the U.S. manufacturing sector was simultaneously improving its energy performance through a wide range of innovative programs, technologies and techniques. For instance, in the last two decades industry reduced energy use per unit of GDP by 30 percent. If one looks at almost any major industry sector, one will see that hard work and innovation have spurred dramatic decreases in energy intensity through a wide range of programs, from internal monitoring to the redesign of industrial processes to the application of electric technologies in the management of waste disposal. As the nation's capital stock turns over, there will be further

improvements. However, we must understand that further progress in energy efficiency is affected by requirements or regulations that result in greater energy intensity to meet other environmental goals.

As we look into the '90s, business and government will have to continue to adjust to changes and costs mandated by the Clean Air Act Amendments of 1990; the Energy Policy Act of 1992; the Comprehensive Environmental Responsibility, Compensation and Liability Act (CERCLA); the Resource Conservation and Recovery Act (RCRA); the Clean Water Act; and the clean-up of DOD and DOE facilities. EPA has projected that environmental regulations will cost

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GCC REPORT OUTLINES CLIMATE CHANGE POLICY GOALS AND ACTIONS

Given the current state of scientific uncertainty surrounding the climate change issue, the appropriate steps for the United States to take involve: 1) Continued climate science research and impact assessment; 2) Measures that will reduce the threat of climate change yet also make sense in their own right; 3) Research and development that improve our ability to economically produce and use energy with less potential for greenhouse gas accumulation; and 4) Efforts to understand and communicate the economic, social and political consequences of both climate change and proposed policy responses.

That's the view of the Global Climate Coalition, outlined in a report titled "Potential Global Climate Change: Issues and Options." Recommendations in the report are based on the coalition's comprehensive review of key economic and policy issues and the state of climate science.

"Because of the uncertainty about the science and the high costs of action, emission targets, timetables, carbon taxes and other costly regulations are not now justified," the GCC report said. "Instead, society should promote the

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GCC ASSAILS CLAIMS THAT CONVENTION IS "INADEQUATE," SUGGESTS COURSE OF ACTION FOR INC 10

Responding to recent criticism of the commitments made under the Framework Convention on Climate Change, GCC adopted a position in March affirming the adequacy of the current plan and recommending a course of action as the United States prepares for the Tenth Intergovernmental Negotiating Committee meeting (INC 10) in August.

Concern over the adequacy of climate treaty commitments arose at INC 9 in February, when the U.S. delegation called the existing Framework Convention "inadequate" because it does not address emissions reduction measures to be taken beyond the year 2000. The claims drew some calls for amendments or protocols to strengthen the treaty.

In March, criticisms were heard again as the Framework Convention officially took effect. For example, the World Wide Fund for Nature (formerly the World Wildlife Fund) called the convention a "solid framework" on which

to "begin" addressing climate issues, but, as one WWF spokesperson said, "It is still too weak."

The GCC position strongly cautioned against judging the adequacy of the commitments under the convention before it has had an opportunity to work. National Action Plans, which will spell out the specific actions signatory nations will take to achieve the goals of the convention, are not even due until September 1994. "All of these plans must be evaluated as part of the determination of 'adequacy,'" GCC said.

Commenting specifically on the U.S. Climate Change Action Plan, GCC warned that arbitrarily stepping up commitments under the convention will almost certainly result in measures that go beyond those outlined in the U.S. plan. "Such measures would have a significant negative effect on the U.S. and international economy with the potential loss of hundreds of thousands of American jobs," GCC said.

In addition, GCC noted that a process already has been established for the review of the adequacy of commitments. The Framework Convention provides for such a review at the first Conference of the Parties in March 1995 in Berlin.

Finally, the GCC position noted that science must be central to considerations of adequacy, and that current science does not support an increased concern over the possibility of human-induced climate change that would justify an accelerated determination that the convention commitments are inadequate.

Looking ahead to INC 10, GCC said, "The U.S. government should support the full process specified by the treaty. The government should not make any predetermined conclusions as to the outcome of that review. And the U.S. should oppose any recommendations for treaty amendments or protocols regarding commitments during the present decade or post-2000." ■

GCC Report Outlines Climate Change Policy Continued from front page

development of scientific knowledge and advanced technologies. Society can also undertake a set of low-cost options which are justifiable on their own merits regardless of climate issues and are directionally constructive with respect to climate concerns."

- Among GCC's recommendations for specific actions were the following:
- Continue research and analysis of observational data that indicate whether or not climate is changing.
- Promote new studies that improve our fundamental understanding of critical climate processes, especially clouds, oceanic circulation, the role of the biosphere and the global carbon cycle.
- Improve computer climate models.
- Provide sustained research funding to explore long-term options for carbon sequestration and geoengineering.
- Implement energy conservation programs that are justified in their own right.
- Protect carbon sinks by slowing deforestation and encouraging reforestation.
- Work to liberalize international trade, open markets, reduce state intervention in the power and energy industries, and eliminate energy subsidies in an effort to improve efficiency globally.
- Promote technology transfer to developing nations by supporting policies that encourage investment by multinational companies.

GCC also endorsed criteria for judging policy initiatives aimed at reducing greenhouse gas emissions. Policies must be cost-effective, non-damaging to U.S. competitiveness, non-discriminatory in their treatment of a single industry or region, flexible enough to evolve with science, simple to administer, and require no new taxes. GCC said that, together, these options provide a "viable approach," given the best information we have on climate change issues today. ■

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U.S. businesses \$185 billion annually, or 3 percent of GDP, by the year 2000. Because of the magnitude of these potential expenditures and the competing demands on limited resources, it is imperative that regulatory requirements be driven by scientifically based priorities and objective cost criteria.

On top of this, just one year ago President Clinton, responding to the newly adopted U.N. Framework Convention on Climate Change, challenged U.S. industry to engage in a "cost effective" business-government program to reduce greenhouse emissions to 1990 levels by the year 2000. In October, the president issued his Climate Change Action Plan, detailing nearly 50 industry-government voluntary initiatives to reach his goal. This is surely the preferred approach, given the complexities of climate science, the growing skepticism among scientists over earlier apocalyptic predictions, the current regulatory burden being absorbed by the U.S. economy, and increased economic globalization and competition. Since

last fall, many industrials, including electric utilities, motor manufacturers and others, have entered into voluntary programs to reduce greenhouse gases.

In response to the president, Earth Day 1994 will once again have U.S. industry "front and center," as they present with government the beginnings of the next significant round of environmental innovation, and perhaps new concepts in business-government partnerships. Since the inception of Earth Day, U.S. industry has been a "senior partner" in the nation's environmental progress. Even while meeting ever more stringent controls on worldwide emissions and growth, industry remains committed to continued environmental progress and to being a constructive participant in the process of setting future goals. However, the world has changed since Earth Day 1970. Markets have become increasingly global and competitive. So, while U.S. industry will do its part, additional improvements in the world's environment also will depend on actions taken in China, India and the former Soviet Union. On Earth Day 1994, we should start looking in that direction. ●

"POWER FAILURE" CREATES FIREWORKS BETWEEN ENVIROS, WORLD BANK

In a heated reply to charges of mismanagement by two leading environmental groups, the World Bank said, "The statement...is a falsehood and is intended to mislead."

The Bank was responding to "Power Failure," a recent report by the Environmental Defense Fund (EDF) and the Natural Resources Defense Council (NRDC) that strongly criticizes the World Bank for lack of compliance with its stated policy of increasing comprehensive support for end-use energy efficiency and conservation. Based on a review of 46 loans totaling \$7 billion, EDF and NRDC gave the World Bank an overall "D" grade for integrated energy strategies and regulatory reform, and claimed that only two projects comply with the Bank's own policy.

The World Bank said it was "disappointed" with EDF and NRDC, and that despite long discussions with their representatives, "these groups fail to understand the situation of billions of people in the world and what is needed for energy efficiency and development." The World Bank said the groups are "insensitive" to the needs of developing countries, adding that "two billion people in developing countries have no access to electricity whatsoever."

In closing, the statement said, "The World Bank will therefore continue its efforts on both the demand and supply sides to help improve the energy situation in the poorest countries of the world, on which the prosperity of these countries depends." ●

DECLASSIFIED DATA ANSWER CLIMATE QUESTIONS

Using once-restricted U.S. Defense Department data from a dozen submarine tracks, former nuclear submariner Alfred McLaren is about to publish a study revealing that there has been no climate-induced change in Arctic ice thickness.

McLaren's study represents a new era in climate change research. With the improvement of U.S.-Soviet relations in recent years and the declassifying of some Defense Department records, civilian scientists in the United States are making an effort to bring valuable global change data to bear on the problem. Indeed, the extraordinary wealth of scientific data gathered as intelligence to aid the U.S. military may hold the keys that unlock the answers to many questions about the Earth's climate, the February 4 issue of *Science* reported.

The data, such as records from spy satellites, typically stretch back long before civilian researchers began tracking the same information, much of which now is considered essential to climate change research, including vegetation changes and changes in Arctic ice thickness.

The once off-limits information is proving valuable to researchers like McLaren, who wanted to study changes in the thickness of Arctic ice over the years. Through his perseverance, McLaren obtained the Navy measurements he needed, many of which he had helped assemble during his 22 years as a submariner and some of which were not classified.

Scientists hope that many of the difficulties of obtaining previously restricted data will be resolved later this year, when the Environmental Task Force (ETF) will release a report. Formed in 1992, ETF is a group of government representatives and civilian scientists assigned by then-Senator Al Gore and former CIA Director Robert Gates to determine which classified data might contribute to a better understanding of global change and to recommend ways to make this data more accessible. ●

WASHINGTON EVENTS WILL HIGHLIGHT INDUSTRY ROLE IN CLIMATE ACTION

GCC members will be in Washington, DC, throughout the week of Earth Day to participate in a series of events that spotlight industrial contributions to energy efficiency.

From April 18 to 20, the Department of Energy (DOE) and the Edison Electric Institute (EEI) will host a 40-exhibit showcase of technologies, projects and programs to reduce greenhouse gas emissions.

Setting the tone for the event is an exhibit on the Climate Challenge, a DOE program encouraging utilities and other eligible firms to explore ways they can cut greenhouse gas emissions, including demand-side management, fuel switching and forestry sequestration. EEI exhibits also will highlight current projects by individual utilities, including electric vehicle technologies and developments in solar and wind power generation.

The EEI display will provide a fitting prelude to the April 21 White House Conference on Climate Action. The emphasis of the conference is on a free-flowing exchange of ideas, according to the White House Office

of Environmental Policy, which organized the event as a follow-up to the Climate Change Action Plan announced last fall.

Conference participants will attend interactive break-out sessions hosted by government agencies. Topics for the sessions include integrated environmental innovation, DOE partnerships and action plans, effective state climate policies, agriculture and forestry initiatives, and transportation strategies. Other sessions will focus on agency programs, such as Climate Wise, Climate Challenge, Green Lights and the U.S. Initiative on Joint Implementation.

In addition to the discussion sessions, agencies will staff technology and program displays that will be open throughout the day. Booths will offer information on many topics, including Climate Change Action Plan initiatives; lighting, computer and office space technologies; telecommuting technologies; fuel economy labels for tires; the president's parking cash-out program; the U.S. Initiative on Joint Implementation; and the Sun Rays Car and natural gas vehicles. ●

TECHNICAL SUPPLEMENT RELEASED

The Department of Energy on March 21 released the "Technical Supplement" to the president's Climate Change Action Plan. The supplement describes the origins and context of the plan, documents the assumptions and parameters used in the supporting analyses, details emissions baselines for greenhouse gases, and describes the integrating energy framework and modeling results.

Copies of the "Technical Supplement" may be obtained by contacting DOE's "Green Room" in Washington, DC, (202) 586-7541. ●

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